

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7242

BILL NUMBER: HB 1524

NOTE PREPARED: Jan 9, 2009

BILL AMENDED:

SUBJECT: State Egg Board.

FIRST AUTHOR: Rep. Goodin

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill makes various changes to the law relating to the sale of eggs and the State Egg Board. It makes changes to definitions used with regard to the sale of eggs. It makes changes to the appointment process for members of the State Egg Board. It also increases the various fees charged by the State Egg Board.

The bill requires certain egg producers who sell eggs at a farmers market to have a permit. The bill also requires an out-of-state permit holder to reimburse the State Egg Board for certain expenses relating to an audit. It requires a wholesaler to remit a permit fee penalty of the greater of ten percent of the fee or \$20 if the wholesaler does not remit a report fee within ten days. (Current law provides that the wholesaler must remit a fee of 10% of the report fee if the wholesaler does not remit a report fee within ten days.) The bill also makes related changes and repeals certain provisions containing definitions.

Effective Date: July 1, 2009.

Explanation of State Expenditures: This bill requires the State Egg Board to issue farmers market retail permits for egg producers selling at farmers markets. Currently, anyone selling eggs at a farmers market is registered as a small retailer. There may be a minimal increase in administrative costs and time to create new license materials, but the creation of the farmers market retail license is not expected to have a significant impact on costs or staffing requirements.

Explanation of State Revenues: The bill increases various fees charged by the State Egg Board. Collectively, the changes are estimated to increase revenue from fees by about \$60,000, from approximately \$110,000 to \$170,000. The bill also changes the penalty amount charged for fees that are delinquent after

a 10-day grace period to the greater of \$20 or 10% in addition to the amount due. An average of 28 accounts are delinquent for each of the four quarters. If these accounts are charged \$20, then total annual penalties would be approximately \$2,200 in addition to the appropriate fees that are due.

Additionally, this bill is estimated to increase the wholesaler deposit account from \$58,000 to \$106,000. The funds placed in the wholesaler deposit account are meant to secure one quarter's worth of audit payments in case a wholesaler does not fulfill their obligations. If a wholesaler does not continue to distribute eggs in Indiana and their account is current and in good standing, they can receive reimbursement of their respective deposit funds. For this reason, the money in the deposit account is not considered to be revenue available for covering operating costs of the State Egg Board.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Egg Board.

Local Agencies Affected:

Information Sources: Mark Straw, Indiana State Egg Board, 765-494-2042.

Fiscal Analyst: Jessica Harmon, 317-232-9854.